

# Was Godot worth the wait? The EU-UK Trade and Cooperation Agreement explained

*The EU-UK Trade and Cooperation Agreement should put an end to years of damaging uncertainty, even though it essentially is a re-imposition of non-tariff barriers swept away by the EU single market. Despite being a milestone, as **Iain Begg** (LSE) writes, there is plenty of unfinished business left for the EU and UK to argue about over the coming years.*

Since the white smoke emerged from the European Commission chimney on the afternoon of Christmas Eve, journalists, commentators and representatives of just about every conceivable interest have been crawling over it to work out what it means, who won or lost and how it will affect people on both sides of the English channel.

As answers emerge, two key messages ought to be retained. First, although rhetoric about being comfortable with 'no deal' never had much credibility because of the mutual damage it would inflict, achieving a deal does matter. It should put an end to years of damaging uncertainty, allowing both sides to concentrate on other priorities, not least dealing with the pandemic.

Although many thought it unrealistic to arrive at a deal by the end of 2020 and there were calls as recently as last week for an extension, there were always obvious, if politically difficult, ways of solving the remaining problems. As argued [six months ago](#), it just needed the big political beasts – the respective leaders – to decide who to let down. The pity is it took them so long. Clearly, the UK fishing industry now believes it was one of the sacrificial victims.

Second, though, the essence of the deal is the re-imposition of non-tariff barriers swept away in the process of creating the EU single market. Although major exporters will be relieved not to be facing tariffs or quotas, they will incur increased costs for border formalities, the need for duplication of certification procedures and increased obstacles to the recruitment of talent from EU countries.

There is not the same provision for traded services, although the [summary published by the UK](#) (much more readable than the door-stop of the full document) claims the deal for UK legal services 'breaks new ground' compared to other recent free trade agreements, such as EU-Japan or UK-Japan. However, despite the claim that it goes beyond the World Trade Organization's Government Procurement Agreement, access to each other's markets for public procurement will be circumscribed.

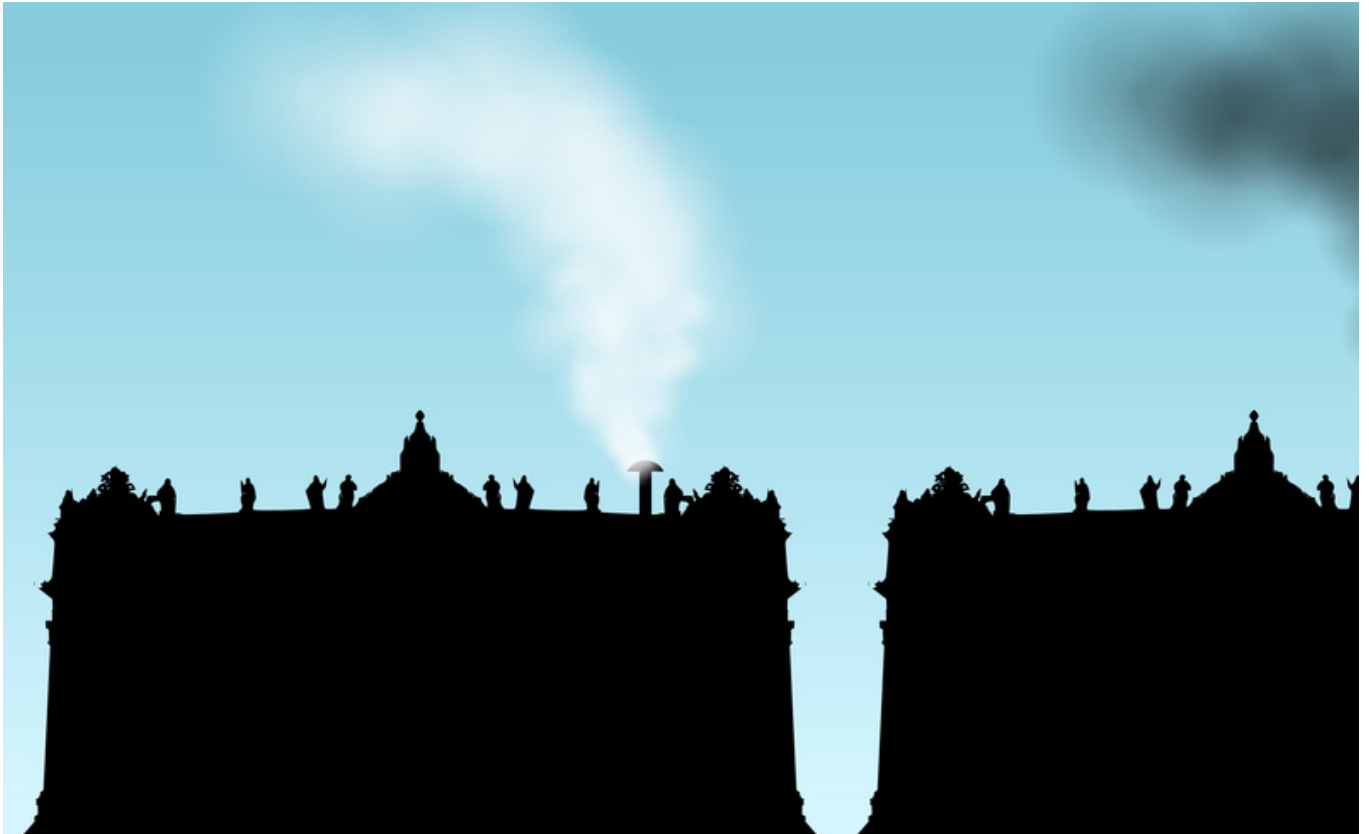


Image by Danilo Acquisto. (<http://thecuriouscatholic.com/>)

## Britain and the single market

Those of us long enough in the tooth will recall that the single market was always Britain's 'thing' in Europe, driven through by Lord Cockfield and praised repeatedly by our Prime Ministers. Indeed, in his goodbye letter to the British on their formal withdrawal from the EU, written at the beginning of February, [Emmanuel Macron](#) explicitly mentions the pivotal role of the UK in the construction of the single market.

Margaret Thatcher, despite her growing antipathy to the EU in her latter years as Prime Minister, referring in her 1988 [Bruges speech](#) to the recently adopted multi-annual financial framework, praised 'the fundamental reforms agreed last winter which paved the way for the remarkable progress which we have made since on the Single Market'. In the same speech, so often cited by Conservatives hostile to the EU, she also says 'by getting rid of barriers, by making it possible for companies to operate on a European scale, we can best compete with the United States, Japan and other new economic powers emerging in Asia and elsewhere'.

When David Cameron delivered his [Bloomberg speech](#) in 2013, setting the ball rolling towards the 2016 referendum, he mentioned the single market twenty-seven times, using phrases such as 'it is a vital interest for us to protect the integrity and fairness of the single market for all its members' and 'that is why Britain has been so concerned to promote and defend the single market'.

By contrast, there has long been a perception of the single market in France as a neoliberal project at odds with French preferences. Yet a core section of the [Franco-German proposal](#) of May 2020 for a plan for recovery from the economic downturn associated with the pandemic emphasises the single market as the guarantor of prosperity and calls for it to be given new momentum.

## Other ironies

Other ironies characterise both the deal and the fraught negotiations leading to it. First, arriving at a deal was supposed to be the end of the Brexit process, implying no more transitions, and the Johnson government's insistence on keeping to the end 2020 deadline was meant – in its own oft-repeated slogan – to 'get Brexit done'. Not so fast....

As has been widely reported, the deal came close to foundering because of disagreement on fishing, an industry so small in relation to the overall economy on either side it barely registers. Indeed, the value of the catch landed by UK boats in 2019 was some 20 per cent below the aggregate turnover of the two Manchester football clubs, City and United. But the wrong outcome would have had damaging repercussions, both politically and for localities dependent on the industry.

It was clear a transition would be needed. After much huffing and puffing, the EU demand for it to be eight years when the UK would only countenance three was haggled to – almost surreally – five and a half. When this figure was mentioned at the two Christmas Eve press conferences, it is almost to the credit of the politicians that they could announce it with straight faces.

Similarly, it took a very late concession from the EU side, coinciding with the compromise on fishing, to avoid strict application of rules of origin principles (they concern the proportion of the value of components sourced from third countries in the finished product) for car manufacturers. Had this not been resolved, highly damaging tariffs would have been imposed.

Particularly at issue was batteries for the new generations of electric cars, seen by many as a key means of advancing the 'Green Deal' on which the EU has staked so much and the UK's aspirations to achieve 'Net Zero' carbon emissions. Here, too, there will be a transition with carmakers expected to source batteries domestically by 2026.

Financial services, the UK's leading source of foreign earnings and tax revenue is also unfinished business. While plenty of preparatory work has been undertaken, 'specific equivalence determination' remains to be codified. In other areas, such as future arrangements for common health insurance to replace the *EHIC card*, details have still to be fully clarified.

Another irony is around the two sides' approach to sovereignty. 'Taking back control' was a potent and effective slogan for Brexiteers, but also became central to the UK negotiating position. A 'soft' Brexit – anyone remember the phrase? – would leave the UK subject to EU rules, yet unable to influence them sufficiently – giving rise to the notion of vassalage. But it was something the EU side was slow to appreciate.

Yet, in a wide-ranging interview on his analysis of long-run options for Europe, conducted as the Brexit negotiations stalled in mid-November 2020, [Emmanuel Macron](#) was challenged on what he meant by the term 'strategic autonomy'. He said 'that is precisely what autonomy is: the idea that we choose our own rules for ourselves'.

## The verdict

The plot-line at the heart of Samuel Beckett's play, *Waiting for Godot*, is that the mysterious Godot never arrives. This leaves the two tramps, Vladimir and Estragon, pondering whether to keep waiting and questioning their own long acquaintance which, when asked its duration, Vladimir says 'I don't know. Fifty years maybe'. The final scene proceeds as follows:

**ESTRAGON:** Wait! I sometimes wonder if we wouldn't have been better off alone, each one for himself. We weren't made for the same road.

**VLADIMIR:** It's not certain.

**ESTRAGON:** No, nothing is certain.

**VLADIMIR:** We can still part, if you think it would be better.

**ESTRAGON:** It's not worthwhile now.

**VLADIMIR:** No, it's not worthwhile now.

**ESTRAGON:** Well, shall we go?

**VLADIMIR:** Yes, let's go

When it comes to future EU-UK relations, Godot has confounded Beckett by arriving, albeit belatedly, in the form of the *EU-UK Trade and Cooperation Agreement*. It will please some and disappoint others. It is best seen as a limited trade deal complemented by provisions for a wide range of other forms of cooperation. But achieving it is a milestone and with Godot now here, it is time to move on from agonising about who won or lost, what might have been, or whether Godot was worth the wait. Exit stage right.

*This article gives the views of the author, and not the position of LSE Brexit, nor of the London School of Economics.*